

STATE STUDENT ASSISTANCE COMMISSION

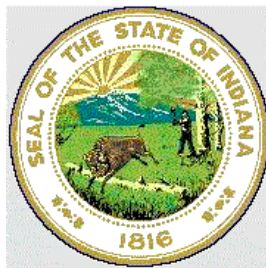
OPERATING BUDGET REQUEST

2003-2005

August 1, 2002



Helping Hoosier Families Solve the Puzzle of Higher Education



*State Student Assistance Commission
Operating Budget Request
2003-2005*

August 1, 2002

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"I wish to sincerely thank you granting me the state grant to attend college. My future is much brighter with this help."

A college freshman

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State Student Assistance Commission

Operating Budget Request

2003-2005

Part I: Background

Agency Mission

For over 35 years, the State Student Assistance Commission of Indiana has been helping Indiana students and families meet the costs of a college education. There are three parts to the Commission's mission:

- to make college *affordable* with guaranteed student grants;
- to allow greater *choice* by granting awards to students attending public, independent and proprietary colleges; and
- to increase *college preparation* by giving additional grants to Twenty-first Century Scholars and to students graduating from high school with Core 40 and Academic Honors Diplomas and *military preparedness* through special grants to the Indiana National Guard.

The Commission accomplishes its mission with:

- *Higher Education, Freedom of Choice, Twenty-first Century Scholar, National Guard Supplemental and Part Time* grants;
- *Special Program* grants for nurses, working students, minority students, children of disabled veterans and others;
- *Early Intervention* programs for Twenty-first Century Scholars;
- *Research* to better understand the needs of Hoosier students and families; and
- *Technology* to make the delivery of awards as simple as possible for students and colleges.

In addition to making awards, the Commission promotes awareness of Indiana financial assistance programs through its World Wide Web site, guidance counselor workshops, financial aid nights, college fairs, community forums and other statewide events such as College Goal Sunday.

Program Overview

Current grant and scholarship programs include:

- *The Higher Education Award and Freedom of Choice Program*. These two programs are the major Commission programs and are available only to full-time students. The FOC program is available only at private colleges.
- *The Hoosier Scholar Program*. This scholarship is a one-time \$500 grant given to outstanding high school seniors entering their first year at an Indiana college.

- *The Minority Teacher and Special Education Services Scholarship Program.* This program was created to provide renewable scholarships for African American and Hispanic students preparing for a teaching career.
- *The State Work-Study Program.* The program is designed to help students gain work experience and earn money towards their college expenses.
- *The Nursing Fund Scholarship Program.* This program is designed to encourage students to pursue a career in nursing.
- *The Robert C. Byrd Honors Scholarship Program.* The scholarship is designed to promote and reward outstanding academic achievement of new college students.
- *The Specter Grant Program.* A federally funded program to the Indiana Department of Corrections administered by the Commission at no cost. It provides modest tuition grants to students not eligible for other state aid.
- *The Part-time Grant Program.* The award is designed to encourage degree-seeking part-time undergraduates to start or complete their Certificates, Associate or Baccalaureate degrees by subsidizing part-time tuition costs.
- *The Reciprocity Agreement Program¹.* This program provides out-of-state college assistance to Hoosier students residing in a six county area of southeastern Indiana.
- *The Twenty-first Century Scholars Program.* The program is designed to support and encourage youth from lower-income families to enter college through early intervention strategies and grants.
- *Indiana National Guard Supplemental Grant Program.* This program provides tuition assistance to eligible members of the Indiana Air and Army National Guard.
- *Child of Veteran and Public Safety Officer Supplemental Grant Program.* This fee remission program is for children of disabled veterans and for children and spouses of police and firefighters killed in the line of duty.

Agency Initiatives

Maintaining Student Aid Appropriations

Over the past decade Indiana has made great strides in raising the educational level of Hoosiers, improving the college preparedness of its high school graduates, improving its college-going rates, and preparing a college-educated workforce able to meet the technological challenges of a changing global economy. Without continued investment in higher education, especially student financial aid, Indiana would be taking steps backward. Indiana must continue to invest in the future, meet its commitments to students, meet the needs of Hoosier families, and combat the raising costs of college tuition. The funds the Commission estimates it needs for the next biennium are listed in the attached Schedules in Part II. Those estimates are based on the best available data.

¹ Formerly known as the Contract For Space Program.

Investing in the future

The Advisory Committee on Student Financial Assistance in its recent publication, *Empty Promises, The Myth of College Access in America* (Washington, D.C. 20202-7582. June 2002) has stated:

The United States invests in higher education—in human capital—because the potential economic benefits, increased productivity, a flexible workforce able to respond to a changing economy, and an increased standard of living for workers, are important both for the nation and its citizens. This investment also produces an educated electorate and "a more informed democracy."

Few people doubt that helping low- and medium-income Indiana families pay for college is an important function of government. Besides the higher civic participation of college-educated citizens, the healthier life-styles (less obesity, less smoking), the lower unemployment, the state directly benefits from the additional revenues higher educational attainment brings. As the following table shows, helping families pay for college is no less an investment than economic development zones and high-tech partnerships.

Advantages of Higher Education
2000 National Census Data

Type of Education	Median Income	Potential Earned Over Working Life	Indiana Income Taxes Paid	Indiana Sales Taxes Paid	Total Indiana Taxes Paid	More Taxes Paid Compared to High School Graduate
Professional Degree	\$109,600	\$4,458,528	\$151,590	\$89,171	\$240,761	205.2%
Doctorate	\$89,400	\$3,499,116	\$118,970	\$69,982	\$188,952	139.6%
Masters Degree	\$62,300	\$2,682,015	\$91,189	\$53,640	\$144,829	83.6%
Bachelors Degree	\$52,200	\$2,354,220	\$80,043	\$47,084	\$127,128	61.2%
Associate Degree	\$38,200	\$1,792,344	\$60,940	\$35,847	\$96,787	22.7%
Some College (no degree)	\$36,800	\$1,746,896	\$59,394	\$34,938	\$94,332	19.6%
High School Diploma	\$30,400	\$1,460,659	\$49,662	\$29,213	\$78,876	0.0%
Less than High School	\$23,400	\$1,147,747	\$39,023	\$22,955	\$61,978	-21.4%

Median Incomes are national figures from 2000 Census.

Potential Earned based on working typical working years with income increases from 1% to 3% per year depending on degree.

Indiana Income Taxes paid based on a constant 3.4% rate.

Sales Taxes paid based on using 1/3 of income for taxable purchases at a constant 6%.

Estimates from US Census Bureau's "The Big Payoff: Attainment and Synthetic Estimates of Work-Life Earnings", July 2002

At the average median award in 2001-2002, the state might pay in total \$8,328 to help a student earn a bachelor's degree, \$4,164 to earn an associate degree, and \$2,082 for a student to go to college for one year. *That modest state investment can reap large benefits in tax revenue collected, even for students who never complete a degree.*

Meeting the commitments

Over the past decade, Indiana has made strong commitments to high school students: meet higher academic and social standards and the state will give extra financial support for college. Teaching students character and values means honoring commitments.

Students who complete the Core 40 curriculum with a 2.00 GPA, students who earn an Academic Honors Diploma with a 3.00 GPA, Twenty-first Century Scholars who

pledge to be good citizens, work hard in high school, and get their parents involved, and students who commit to defending their country in the war on terrorism by joining the Indiana National Guard, all receive extra help.

The following table shows the growth in that commitment since 1997 alone. The expectation is that the growth will continue as more and more students meet the challenge of higher standards.

Numbers of Students Receiving Supplemental State Awards
Academic Years 1997-98 to 2001-02

Year	Core 40	Honors	21 st Scholars	National Guard
1997		3,246	3,540	
1998	3,702	6,804	4,382	
1999	6,499	9,655	4,600	
2000	8,688	12,276	5,033	503
2001	10,536	13,241	5,984	861

Meeting the needs

There is little doubt that student financial aid has had a clear and direct impact on the educational attainment of Hoosier young people.

- In 1998, Indiana ranked 17th in the country in the percentage of students going on to postsecondary education. It ranked 40th in 1986.
- Nearly 61% of Indiana's 1998 high school graduates went on to college compared to only 57.2% nationally.
- Indiana consistently ranks in the top 7 or 8 of states in the amount of financial aid available to its college students.

According to the Indiana Commission for Higher Education (press release, October, 2000),

Indiana's continued improvement comes at a time when the nation as a whole is showing a "leveling-off" period in the college-going rate of high school graduates. From 1994 to 1998, the national average experienced little to no growth while Indiana's college-going rate increased by 5.5 percentage points. Indiana now places among the top ten states for percentage gains in college attendance of high school graduates.

In the spring of 2002, Indiana's public colleges saw continued enrollment growth with 16,826 more students taking classes at Indiana campuses than did in the previous spring. Stan Jones, Indiana's Commissioner for Higher Education, has stated, "The state has aggressively encouraged more Hoosiers to advance their education and these figures indicate that the message is getting through." But without continued financial support the growth in student enrollment and educational attainment will stop in its tracks. It is not the time for Indiana to regress.

Combating the costs

As Indiana strives to raise educational levels, increase college going, and better prepare students for the academic rigors of college, costs continue to spiral upward at an alarming rate. Without continued support of financial aid, Indiana faces the same serious challenges as the nation as a whole: Higher tuition costs and lower abilities of families to pay for college. From *Empty Promises, The Myth of College Access in America*:

Throughout the decade, as school reform and early intervention efforts expand the number of college-qualified high school graduates, scarce grant aid will be stretched even further and work and loan burden will rise above current levels. This will produce even larger national losses of college-qualified high school graduates, as well as wider income-related gaps in college participation and degree completion for the foreseeable future. Without significant increases in need-based grant aid, this chain of events is irreversible.

Families of low-income, college-qualified high school graduates face annual unmet need of \$3,800, college expenses not covered by student aid, including work-study and student loans. And the shortage in grant aid requires these families to cover \$7,500—two-thirds of college expenses at public four-year colleges and one-third of family income—through work and borrowing. Their peers from moderate-income families face similar barriers.

For the academic year, tuition at public colleges in Indiana went up on average around 15%, far above the consumer price index and far above the increases in wages and a family's ability to pay for college. Indeed, for new students at Purdue University campuses, tuition rose over 34%, and it will be that high for new students at Indiana University in 2003-2004.

In an editorial, the *Muncie Star-Press* (April 10, 2002) noted the following:

When pressed for money, universities seek replacement sources and they don't have to look far. They solve their cash-flow problem through hefty tuition and fee increases that stagger consumers who already wonder how they could possibly keep up with the current bills for junior's college education.

Just days after Gov. Frank O'Bannon announced \$100 million in cuts to higher education budgets in the coming year for the eight state-supported institutions, Ball State and Indiana universities responded with some of the highest tuition and fee increases in recent years.

BSU raised its summer school tuition by 10 percent, and President Blaine Brownell indicated that might be a "conservative number" compared to what's in store for fall and spring tuition. [And] ... few days later when Indiana University trustees approved President Myles Brand's recommendation to raise Bloomington undergraduate tuition to \$5,515, including a \$200 increase in the annual technology fee. Overall, that's a 16.5 percent increase in the cost to attend IU.

With unemployment and job loss on the rise (and one of the highest in the nation), the loss of Indiana's manufacturing base, and high tuition increases, families can afford to pay less and less of higher and higher costs. Without sustained help from an already

strained Indiana budget, fewer students will choose to go to college or be forced to borrow more and more money that will strain their ability to be productive citizens. The following table gives a snapshot of the loan indebtedness of Indiana students receiving federal loans to pay for their education while enrolled in college in 2001-2002.

Students with federal student loans of \$1,000 or more filing a FAFSA	
Academic year 2001-2002	
Students with loans	102,279
Percentage of FAFSA filers	42%
Average loan	\$9,968
Median loan	\$6,125
Mode of loans	\$2,625
Minimum loan	\$1,000
Maximum loan	\$322,518
Sum of all loans	\$1,019,484,797

Summary

Helping students pay for college is a long-term investment in Indiana's future. Hoosiers who go to college have children who graduate from college. College graduates pay more in taxes, buy more expensive homes, vote more often, are healthier, are able to afford health insurance, and are unemployed less. Despite rising tuition costs and the increases on student aid that implies, Indiana cannot allow itself to fall behind.

Calculating Full-Time Student Awards

One perspective on understanding the influences on state aid is the way in which the *mixed* academic merit and need-based major programs of the State Student Assistance Commission of Indiana (SSACI) are currently structured. The awards for full-time students are based on three factors:

- The tuition and regularly assessed fees charged by colleges to their typical student taking an average course load of 30 credit hours per year. The permissible amounts are capped at independent (private) and proprietary colleges but not at public institutions.
- The rate at which the tuition and fees are subsidized. For students with an Academic Honors Diploma and a high school GPA of at least 3.00, the rate is 100%; for students with a Core 40 Diploma and at least a 2.00 GPA, it is 90%; for all other students, it is 80%.
- The family's ability to pay towards their child's education or in the case of emancipated students, their ability to pay. It could be zero (0) or too high to qualify for an award. It is based on data parents and students supply annually on the *Free Application for Federal Student Aid* (FAFSA).

The formula is simple: **award = subsidy × tuition and fees – ability to pay**. The award cannot be less than \$200. This award is the Higher Education Grant. If a student attends an independent college, a portion of the award is named the Freedom of Choice (FOC) award and a portion the Higher Education Award (HEA). At other colleges it is named the Higher Education Award.

Supplemental and other major awards

In addition to the Higher Education Grant, the state has two supplemental grants, an award for part-time students, and a fee remission program. The supplemental grants are the Twenty-first Century Scholars award and the National Guard Supplemental grant. These are targeted grants based on a form of non-academic merit: for low-income and at-risk Scholars a commitment to graduate from high school and avoid drugs and alcohol; for members of the Air and Army Indiana National Guard a commitment to maintain the military readiness of the state.

As the name implies, these grants supplement or pay the tuition and fees not covered by the Higher Education Grant. As the Higher Education Grant goes down, the supplemental grants go up. *Thus if the Higher Education Grant is reduced due to budget constraints, the appropriations for the supplemental grants must go up correspondingly.*

Twenty-First Century Scholars

The number of Scholars potentially going to college increased over 12% in the one year from 1999 to 2000. This is a large increase. Even though there is increased enrollment and intervention programs activities, the number of Scholars is expected to increase at a more modest rate of from 8% to 10% each of the next 4 years. The increase in grants needed for these students will be correspondingly large.

National Guard Supplemental Grant

This is a new program and estimating its costs is difficult. However, at the end of 2001-2002, over 800 students received aid. The Indiana National Guard estimates there will be over 1,000 students eligible to receive the award in 2002-2003. The average award of over \$2,600 is higher than the average Higher Education Award at public colleges, which is around \$1,900.

Part-time Grant

This grant mirrors the full-time student Higher Education Grant and is given to students taking less than 12 hours. It is calculated in the same way as the higher education Award. It encourages students to both start and finish college by reducing one of the pressures on non-traditional working students: lack of money to attend college full-time.

Demands on state resources

The basic formula for the Higher Education Grant tells the story of the four factors that work together to increase the state's commitment to financial aid:

- The number of students receiving aid.
- The distribution of the students receiving aid.

- The tuition and fees subsidized.
- The parent or student ability to pay.

The number of students

As the state encourages more students to take academically challenging high school courses, as it develops a community college system, as it encourages the development of high-tech jobs, and as it pushes generally to increase the level of education of Hoosiers, the number of students going to college increases. Not all the students will receive financial aid but the numbers who do increase each year, especially at the higher subsidy rates for Core 40 and Honors.

Increases in numbers of students receiving state aid 2000-01 to 2001-02										
All Students	HEA	FOC	Base HEA	Base FOC	Core HEA	40Core FOC	40Honors HEA	Honors FOC	Scholars	National Guard
1.51%	1.28%	3.07%	-8.03%	-5.83%	21.04%	22.12%	9.30%	4.63%	18.90%	71.17%

In 2000, the increase in the number of students offered any aid was 2.89%. In some years it is closer to 4%.

The distribution of the students

Increases in total numbers alone are only part of the story. What matters is who the students are and where they go. The number of students receiving the FOC award and going to the more expensive independent colleges increases each year, from modest 1% from 1999 to 2000 and 3% to 4% in other years. These students tend to be those highly subsidized, that is, Honors and Core 40 graduates. Overall, the number of academically strong students is increasing in absolute numbers as well, whether they go to public or private colleges: at least a 5% to 8% increase in both types of students filing the FAFSA for the foreseeable future is expected.

Core 40 and Honors students attending public and private colleges 1997-1998 to 2001-2002								
Year	All Students	PublicAll Students	Private Regular	Regular PublicPrivate	Core Public	40Core Private	40Honors Public	Honors Private
1997	37,803	10,218	35,475	9,220			2,267	979
1998	39,440	10,778	31,908	7,804	2,858	844	4,674	2,130
1999	36,893	10,463	25,217	5,985	5,013	1,486	6,663	2,992
2000	37,063	10,338	21,752	4,684	6,812	1,876	8,498	3,778
2001	37,538	10,655	20,005	4,411	8,245	2,291	9,288	3,953

The tuition and fees

Tuition increases for 2002-2003 have been extreme, on the order of 15% to 34% at public institutions and more modest increases of around 6% to 7% at private institutions. However, the allowable tuition and fees subsidized at independent colleges, which is based on a combination of public college tuition and state appropriations, will go up beyond the 6%; it is 8.5% for 2002-03 and is expected to be higher for the next year.

Tuition increases in 2002-2003 have the greatest impact on supplemental grant programs, the 21st Scholarship and National Guard. But in the following year, 2003-2005 all grant programs will be severely impacted the increases.

The true measure of tuition and fee increases is the average tuition subsidized by SSACI. In 1998 it was \$4,226 but it increased by over 12% to \$5,226 in 1999. The increase is not unusual. The average subsidized tuition and fees measures two things: the actual increases in tuition and the distribution of students. As more students earn the Honors and Core 40 diplomas and as more of those students go to the more expensive private colleges, the average subsidized tuition increases at a fast rate. Success in improving the academic preparation of students and giving them a choice is a substantial but necessary investment on the part of the state.

The following table shows the average subsidy rates for awards offered to students for this coming year 2002-2003. It varies by type of institution, being highest at the private colleges where many students receive the Core 40 and Academic Honors subsidy rates.

Actual subsidy rates subsidized Academic year 2002-2003	
Type	Actual Subsidy Rate
Public	86.16%
Private	88.07%
Proprietary	80.91%
Reciprocity Agreement	85.48%
Community College (IVTSC-VU)	81.13%
Overall	85.52%

Tuition Subsidies to All Students

There is another way to consider the state's subsidy of tuition and fees that is not often discussed. Whether a student attending a four-year public college receives state financial aid or not, comes from a rich or poor family, has high academic merit or only modest, she or he receives a substantial tuition award of between \$5,000 and \$12,000 each and every year. That is the amount of money the student receives through state appropriations, money they would have to otherwise pay in tuition if the public colleges charged comparable private college tuition.

The ability to pay

This is the only factor that might work to decrease the state's costs for financial aid in the next biennium. In 1999-2000, the average parent's ability to pay towards their child's education was \$1,730 for those receiving state aid, while the average ability to pay for a family receiving no state aid was \$11,945. But, as the following table shows, the average ability to pay has *decreased* since 1999. This is due to the increasing number of low-income students choosing college and the poor overall performance of the Indiana economy over the past few years.

Average ability to pay for college Academic year 2001-2002	
Type	Ability to Pay

Public	\$1,394
Private	\$2,592
Proprietary	\$438
Reciprocity Agreement	\$890
Community College (IVTSC – VU)	\$668
Total	\$1,572

The ability to pay varies by the type of institution the student attends and by sociological factors: students with strong academic backgrounds tend to come from families with higher education levels and higher incomes, hence their ability to pay for college is usually higher. In 1999-2000, 52.5% of the students receiving state aid came from families in which neither parent had a college degree (39.2% for students not offered aid). Moreover, students receiving aid come from families with two-parent families 55.3% of the time and earning an adjusted gross income of \$32,100, whereas 87.9% percent of the students denied aid had married parents with an income of \$72,262 per year. Comparison data for 2002-2003 is in the following table. Note the changes in adjusted gross income for students receiving aid and those not eligible.

Characteristics of Dependent Students Filing a FAFSA
(Free Application for Federal Student Aid)
Academic years 1999-2000 and 2002-2003

Year	Neither parent college graduate	Single parent family	Adjusted gross income
1999-2000			
Aid recipient	53%	45%	\$32,100
No aid	39%	12%	\$72,262
2002-2003			
Aid recipient	52%	44%	\$32,190
No aid	36%	11%	\$74,576

The ability to pay also varies year-to-year depending on the national economy and the U.S. Congress, which sets the methodology. Larger increases in the ability to pay means that the federal government spends less on need-based aid such as the Pell grant and that the loan indebtedness of students increases. An increase in the ability to pay for college reduces the total number of students receiving aid; however, it mostly affects students at the margin of receiving an award.

Finally, given that the average ability to pay is only about one-third of the subsidized tuition, even modest increases in tuition offset gains in the family's ability to pay for college. Indeed, the only way state costs for financial aid could be reduced because of increases in the family's ability to pay is to have little or no increases in tuition in all sectors of higher education, public and private.

Meeting student needs

In the recent past there is evidence that the current Indiana student aid system is holding its own in meeting the needs of students in offsetting the costs of education. It makes college affordable and possible for large number of Hoosiers who otherwise would have to forgo college or take on large amounts of loan debt. In fact, the state of Indiana is currently ranked as one of the top ten states in granting financial aid to college students,

both in the total amount of aid and in the size of the individual awards to students in Indiana public, independent, and proprietary colleges. In order to maintain this leadership position, the State Student Assistance Commission has been strongly supported by the General Assembly, the Governor and the Commission for Higher Education with 6% to 9% increases in its major program budgets each year and up to 10% or 12% in other grant programs. Unfortunately, over the next biennium even larger increases in aid will be needed to keep state aid adequate to the need.

The following two tables show grant expenditures in all major programs from 1997 to 2001. The first table list the Higher Education Award and the Freedom of Choice award broken out by subsidy rates: Base at 80%, Core 40 at 90%, and Academic Honors at 100%.

Awards Used by Students Academic Years 1997-98 to 2001-2002 Higher Education and Freedom of Choice Awards								
Year	HEA	FOC	Base HEA	Base FOC	Core HEA	40Core FOC	40Honors HEA	Honors FOC
1997 Students	37,803	10,218	35,475	9,220			2,267	979
Mean	\$1,495	\$2,010	\$1,469	\$1,954			\$1,924	\$2,566
Median	\$1,470	\$2,028	\$1,443	\$1,983			\$1,915	\$2,678
Total	\$56,511,236	\$20,542,267	\$52,099,498	\$18,012,570			\$4,362,189	\$2,512,366
1998 Students	39,440	10,778	31,908	7,804	2,858	844	4,674	2,130
Mean	\$1,625	\$2,302	\$1,556	\$2,154	\$1,793	\$2,564	\$1,990	\$2,742
Median	\$1,550	\$2,330	\$1,530	\$2,182	\$1,748	\$2,647	\$1,977	\$2,796
Total	\$64,083,790	\$24,813,324	\$49,656,492	\$16,808,671	\$5,125,626	\$2,163,602	\$9,301,672	\$5,841,051
1999 Students	36,893	10,463	25,217	5,985	5,013	1,486	6,663	2,992
Mean	\$1,745	\$2,461	\$1,638	\$2,272	\$1,865	\$2,598	\$2,058	\$2,772
Median	\$1,604	\$2,450	\$1,561	\$2,231	\$1,795	\$2,653	\$2,035	\$2,823
Total	\$64,366,188	\$25,754,508	\$41,306,152	\$13,599,977	\$9,347,187	\$3,860,398	\$13,712,849	\$8,294,133
2000 Students	37,063	10,338	21,752	4,684	6,812	1,876	8,498	3,778
Mean	\$1,853	\$2,618	\$1,715	\$2,414	\$1,940	\$2,665	\$2,139	\$2,849
Median	\$1,685	\$2,629	\$1,588	\$2,328	\$1,880	\$2,687	\$2,115	\$2,901
Total	\$68,696,060	\$27,067,670	\$37,305,091	\$11,304,893	\$13,213,420	\$4,998,836	\$18,174,818	\$10,763,941
2001 Students	37,538	10,655	20,005	4,411	8,245	2,291	9,288	3,953
Mean	\$1,862	\$2,686	\$1,661	\$2,447	\$1,983	\$2,742	\$2,186	\$2,922
Median	\$1,698	\$2,688	\$1,482	\$2,348	\$1,912	\$2,780	\$2,138	\$2,956
Total	\$69,877,154	\$28,622,395	\$33,223,299	\$10,791,834	\$16,351,885	\$6,280,834	\$20,301,970	\$11,549,727

The next table shows the totals for five major grant programs: Higher Education, Freedom of Choice, 21st Century Scholarship, National Guard, and Part-time Awards.

Awards Used by Students Academic Years 1997-98 to 2001-2002 Higher Education, Freedom of Choice, 21 st Century Scholarship, National Guard, and Part-time Awards						
Year	All Awards	HEA	FOC	21st Awards	National Guard Award	Part-time Award
1997 Students	38,338	37,803	10,218	3,540		
Mean	\$2,134	\$1,495	\$2,010	\$1,348		
Median	\$1,893	\$1,470	\$2,028	\$1,114		

Total	\$81,825,059	\$56,511,236	\$20,542,267	\$4,771,556		
1998Students	43,825	39,440	10,778	4,382		4,680
Mean	\$2,260	\$1,625	\$2,302	\$1,449		\$815
Median	\$1,894	\$1,550	\$2,330	\$1,218		\$662
Total	\$99,061,861	\$64,083,790	\$24,813,324	\$6,349,763		\$3,814,984
1999Students	42,510	36,893	10,463	4,600		5,762
Mean	\$2,400	\$1,745	\$2,461	\$1,497		\$872
Median	\$1,969	\$1,604	\$2,450	\$1,229		\$695
Total	\$102,030,572	\$64,366,188	\$25,754,508	\$6,884,035		\$5,025,841
2000Students	43,811	37,063	10,338	5,033	503	6,620
Mean	\$2,517	\$1,853	\$2,618	\$1,507	\$2,040	\$892
Median	\$2,047	\$1,685	\$2,629	\$1,194	\$1,796	\$712
Total	\$110,276,206	\$68,696,060	\$27,067,670	\$7,583,425	\$1,026,094	\$5,902,957
2001Students	44,472	37,538	10,655	5,984	861	6,366
Mean	\$2,587	\$1,862	\$2,686	\$1,567	\$2,140	\$839
Median	\$2,082	\$1,698	\$2,688	\$1,163	\$1,919	\$636
Total	\$115,066,066	\$69,877,154	\$28,622,395	\$9,379,520	\$1,842,824	\$5,344,173

The increases needed in student aid appropriations for the Higher Education Grant are intended to keep the state's level of support for individual students comparable to past years and to the state's level of support for the publicly funded colleges and universities. The increases are listed in the attached schedules.

Maintaining Student Aid Appropriations: Twenty-First Century Scholarships

The Twenty-first Century Scholars Program, created in 1990, has grown dramatically. The program has enrolled more than 89,600 students from all counties and all school districts in Indiana. Beginning in school year 1995-96, Scholars began graduating from high school and entering college. In 2002-2003 nearly 7,000 Scholars will be enrolled in college. This figure is expected to increase to in the next biennium.

The following table summarizes the activity in enrolling and affirming Scholars through the Scholar cohort year 2007, the expected year of high school graduation.

21 st Century Scholars Enrolled and affirmed since 1995			
Cohort	Enrolled	Affirmed	% Affirmed
1995	3,156	2,563	44.82%
1996	3,477	2,838	44.94%
1997	2,626	2,609	49.84%
1998	2,593	2,641	50.46%
1999	2,644	3,002	53.17%
2000	3,196	3,410	51.62%
2001	4,140	3,927	48.68%
2002	4,396	3,919	47.13%
2003	8,654		
2004	9,915		
2005	11,249		
2006	8,696		

One indicator for commitment to college is the percent of Scholars who file for financial aid in their senior year of high school. The filing rates were 74.0% in 1995, 79.4% in 1996, 79.9% in 1997, and 88.0% in 1998. This suggests that increased emphasis on early intervention is having the desired effect as increasing percentages of Scholars commit to college. Financial aid re-filing rates of the 1995 and 1996 Scholar cohorts show nearly 80% to 90% filing in the second year of college. This is a measure of persistence and commitment to college. Scholars differ in important ways from other state aid recipients and especially from students not eligible to receive state aid. The following table shows some differences. Scholars tend to be first generation college goers with Core 40 diplomas from larger families with younger single parents earning less money than other aid recipients and non-recipients.

Characteristics of Dependent Students Filing a FAFSA (Free Application for Federal Student Aid)
Academic year 2002-2003

	21 st Century Scholars	Other state aid recipients	Students eligible state aid not for
First generation college goers, percent	58%	52%	36%
Single parents, percent	48%	44%	11%
Family size, average	4.2	3.9	4.0
Age of older parent (yrs), average	45.7	46.9	47.9
Mother's 2001 earnings from work, median	\$13,685	\$15,069	\$23,930
Father's 2001 earnings from work, median	\$17,669	\$21,883	\$49,391
Combined 2001 earnings from work, median	\$25,935	\$31,384	\$71,827
Parent's 2001 adjusted gross income, median	\$27,735	\$32,190	\$74,576
Honors Diploma Graduates, percent	25%	34%	38%
Core 40 Diploma Graduates, percent	38%	31%	31%

Grant Appropriation

The Twenty-first Century Scholars award is a supplemental award to the Higher Education Grant (the HEG is the combined HEA and FOC awards). It makes up the difference between tuition and the HEG so that in effect tuition is subsidized at 100%. Tuition increases immediately impact the Scholarships because the HEG is based on the prior years tuition and fees and the 21st Scholarships on current tuition and fees.

The Scholars award funding achieved a full complement of awards in 1998-99 with Scholars in each of the four years of college. From 2002-2003 on, the growth in the number of Scholars is expected to be about 8% per year; the growth in the grants will be much higher due to the large increases in public college tuition in 2002-2003 and the expected increases in the next biennium. The increase in costs should be somewhat offset by the fact that eligible Scholars will qualify for both the Core 40 and Academic Honors supplements to the Higher Education Award and Freedom of Choice programs. The following table summarizes the Scholarships used through 2001-2002.

Awards Used by 21 ST Century Scholars Academic Years 1995-1996 to 2001-2002				
Year	Students	Mean	Median	Total
1995	1,463	\$1,297	\$1,044	\$1,897,143
1996	2,815	\$1,274	\$1,061	\$3,586,763
1997	3,540	\$1,348	\$1,114	\$4,771,556
1998	4,382	\$1,449	\$1,218	\$6,349,763
1999	4,600	\$1,497	\$1,229	\$6,884,035
2000	5,033	\$1,507	\$1,194	\$7,583,425
2001	5,984	\$1,567	\$1,163	\$9,379,520

The Scholarships and other aid received by Scholars for 2001-2002 are summarized in the next table. The awards are listed by institutional types. Scholars who choose to enroll part-time are not eligible for the 21st Scholarship but can receive a Part-time Grant.

Awards for 21 st Century Scholars Academic Year 2001-2002 Higher Education, Freedom of Choice, 21 st Century Scholarship, and Part-time Awards									
Type	All Awards	Base HEA	Base FOC	Core HEA	40Core FOC	40Honors HEA	Honors FOC	Scholar- ships	Part-time Award
Public	Students	4,137	1,039		1,226		862	4,009	114
	Mean	\$3,357	\$1,889		\$2,280		\$2,655	\$1,682	\$858
	Median	\$3,787	\$1,988		\$2,397		\$2,784	\$1,242	\$765
	Total	\$13,887,172	\$1,962,239		\$2,795,766		\$2,288,861	\$6,742,472	\$97,834
Private	Students	1,042	281	281	307	307	388	388	906
	Mean	\$7,351	\$1,959	\$2,705	\$2,556	\$3,529	\$2,908	\$4,012	\$1,603
	Median	\$8,760	\$2,130	\$2,941	\$2,840	\$3,924	\$3,196	\$4,413	\$1,544
	Total	\$7,659,693	\$550,523	\$760,176	\$784,706	\$1,083,480	\$1,128,242	\$1,556,595	\$1,768,717
Proprietary	Students	160	74		30		5		154
	Mean	\$1,466	\$963		\$1,238		\$1,187		\$780
	Median	\$1,407	\$851		\$1,266		\$1,150		\$398
	Total	\$234,519	\$71,259		\$37,151		\$5,936		\$120,173
Reciprocity Agreement*	Students	6	2		3		1		
	Mean	\$1,895	\$1,429		\$1,856		\$2,944		
	Median	\$1,699	\$1,429		\$1,622		\$2,944		
	Total	\$11,371	\$2,858		\$5,569		\$2,944		
Community College (IVTSC/VU)	Students	1,033	436		166		38	898	128
	Mean	\$1,416	\$1,001		\$1,160		\$1,218	\$808	\$489
	Median	\$1,588	\$943		\$1,087		\$1,015	\$610	\$476
	Total	\$1,463,071	\$436,328		\$192,548		\$46,286	\$725,260	\$62,649
All Schools	Students	6,378	1,832	281	1,732	307	1,294	388	5,967
	Mean	\$3,646	\$1,650	\$2,705	\$2,203	\$3,529	\$2,683	\$4,012	\$1,568
	Median	\$3,535	\$1,485	\$2,941	\$2,286	\$3,924	\$2,911	\$4,413	\$1,164
	Total	\$23,255,826	\$3,023,207	\$760,176	\$3,815,740	\$1,083,480	\$3,472,269	\$1,556,595	\$9,356,622

*Reciprocity Agreement Institutions are Cincinnati State Technical College, Northern Kentucky University and University of Cincinnati. Eligible institutions only for students residing in Dearborn, Franklin, Jefferson, Ohio, Ripley, or Switzerland counties.

Twenty-First Century Scholars Program/Early Intervention

The Twenty-first Century Scholars Program was created by legislation in 1990 to:

- Reduce the number of students who withdraw from high school before graduation;
- Increase the number of students prepared to enter the workforce upon graduation;
- Increase the number of low-income students entering institutions of higher education;
- Decrease drug and alcohol use by encouraging higher education pursuits;
- Increase individual economic productivity; and
- Improve the overall quality of life for Indiana residents.

Students from families with incomes less than 185% of poverty may enroll in the scholars program in seventh or eighth grade by signing a written pledge to remain alcohol, drug and crime free and to graduate from an Indiana high school with a 2.00 grade point average. In their high school senior year, Scholars who sign an affirmation that they have kept the pledge are awarded full tuition awards to Indiana's public colleges or a comparable award to a private in-state college once they enroll.

State Involvement

The Scholars program began in 1990 with the enrollment of the first cohort of eighth graders from lower income families. The program provides mentoring, counseling, tutoring and advising of those students as they progress through secondary education. In 1991 a Parents' Project, funded with seed money from the Lilly Endowment, Inc., was started.

The State of Indiana provided initial funds in 1992 for the support program via a collaborative effort of the Commission for Higher Education (CHE), the State Budget Agency and the State Student Assistance Commission. That collaboration allowed the Indiana Career and Postsecondary Advancement Center (ICPAC) to hire staff to manage the Scholars Program database. At this point the Parents' Project was the support component and ICPAC managed distribution and collection of applications and the input of those data into a database. The State of Indiana provided additional funding for the support component during the 1992-1994 biennium that allowed the program to expand to nine sites. Further support to expand to twelve sites came in 1994 through the National Early Intervention Scholarship and Partnership (NEISP) initiative.

Recognition of the Program

The Twenty-first Century Scholars Program has received national recognition. The National Governor's Association has cited it as a "best practice" and made it the focus of a national meeting held in Indianapolis on August 12-12, 2002. The Program was also the model for the national federal GEAR UP initiative.

Expansions of the Program

Increased State, NEISP and eight years of AmeriCorps funds allowed the program to

expand to sixteen sites. By July 1998, the Scholars' program had completed its regionalization process actively engaging each of the 92 Indiana counties in support program strategies. The sixteen Community Partner sites, full-time NEISP/Twenty-first Century Scholar Coordinators direct the outreach support initiatives in local communities. Each Community Partner hosts a Parent Support Group and a team of AmeriCorps Members.

GEAR UP

The NEISP program was phased out in 1999-2000 and replaced by GEAR UP, *Gaining Early Awareness and Readiness for Undergraduate Programs*. The GEAR UP grant to Indiana was \$25 million over 5 years beginning in September of 1999; the second highest in the nation (only a few thousand dollars behind California). Indiana received this substantial grant because it is recognized as a leader in early intervention and grant programs.

A major thrust of the GEAR UP program is early intervention. Indiana is making great strides in preparing Twenty-first Century Scholars to succeed in college but their academic needs are great and many are best met by the colleges in which they enroll. Because many Scholars have not been provided with appropriate curriculum, instruction or academic support to succeed in college, they might need to take basic preparatory courses before they begin courses to satisfy program and degree requirements.

If a Scholar takes preparatory college courses in the summer before enrolling in a regular program in the fall, they might need financial assistance to pay for summer school tuition and fees. On the other hand, a Scholar who takes such courses in the fall semester might find herself or himself falling behind in their major program requirements unless they can afford to attend the following summer school. The *GEAR UP Scholarship* pays for summer school.

The GEAR UP grant contributes nearly \$3 million to early intervention programs each year and another \$2 million or so is ear-marked for the special summer scholarships. However, the GEAR UP grant will expire at the end of the second year of the biennium, 2003-04.

Going to College

To date, more than 13,000 Scholars have completed high school, affirmed that they have remained drug and crime free, and received tuition assistance to attend Indiana public, private, and proprietary colleges. Through 2003-2004 GEAR UP resources will continue the momentum and allow the Scholars Program to increase Scholar numbers, expand early intervention services through the sixteen Regional Community Partner sites, and build system capacity with targeted professional development and improved service brokering. The following table shows that the sites are on the way to doubling the number of students served and the number of hours spent on activities.

Early Intervention Program		
Students and number of hours on activities		
2001 and through the summer of 2002		
Year	Students Served	Hours on Activities

2001	6,998	45,277
2002	9,119	74,867

Setting the Stage

The state has made inroads in terms of new strategies to address the need for improved preparation for postsecondary education. The state's Twenty-first Century Scholars Program was a momentous step in the right direction, but needs further elaboration and extension throughout the state to meet its goals. A recent study (June 2002) by Dr. Edward St John and others at the Indiana Education Policy Center has found

... participation in the Scholars program improved postsecondary opportunity for low-income students compared to students who are not in the program. This study confirms that the Scholars program played a role in the substantial gain in college access in the 1990s in Indiana. These findings indicate that Indiana's 21st Century Scholar's Program provides a workable approach to overcoming inequalities in educational opportunity.

Navigating the Future

Studying the problems and obstacles the Scholars Program has encountered in its first decade provides a course for future action. There are three areas of change that can strengthen the Scholars' Program, making it more accessible to the target population it is intended to serve and helping them to more fully exploit its resources.

A need for academic enrichment

Indiana must continue setting high academic standards and expecting students to meet them. High standards mean high academic achievement. In recent years Indiana has successfully increased ISTEP+ scores, SAT Verbal and Mathematics scores, and the number of students earning the Academic Honors and Core 40 diplomas. As the following table shows, a higher percentage of Scholars complete the Core 40 curriculum than do other college-going students.

Core 40 and Honors Attainment of Scholars
Academic year 2002-2003

	21 st Century Scholars	Other state aid recipients	Students not eligible for state aid
Honors Diploma Graduates, percent	25%	34%	38%
Core 40 Diploma Graduates, percent	38%	31%	31%

Improving knowledge about financial aid

Students and parents alike are unaware of the growing array of free or low cost resources and literature on financial aid. Families report that filing the FAFSA is a daunting and intimidating task, enough so that parents fail to do so. Those who do so often jeopardize their opportunities for receiving aid by failing to fill out the forms correctly. In 2002, the State Students Assistance Commission of Indiana processed over 7,000 applications for State financial aid from Twenty-first Century Scholars. More than 1,000 of these had an error such as incomplete financial information or other information not reported or incorrectly reported. This is an improvement over previous years when there were fewer applications and more errors (in 1998, 6,000 and 1,300 respectively). These errors were

reduced because of the work of the 16 sites and a system that provides the sites with detailed information on the Scholars. However, there is a need for more resources devoted to marketing the concept of available help for financial aid form preparation.

Parental Involvement

Indiana's GEAR UP program for parent involvement is an expansion of the Twenty-first Century Scholar Parents' Project. Based on the premise that families are the most fundamental system in any process of social or educational change, the Parents' Project empowers parents of Twenty-first Century Scholars with the skills and knowledge to make themselves the educational leaders in their families. The design of the project requires each regional program site to develop an independently functioning organization whose leadership and agenda are determined by Scholar parents. "Owned and operated" by Scholar parents, the Parents' Project now includes more than 2000 families across the state.

While designing and implementing ambitious agendas that include campus visits for parents, parenting skills, support groups, financial aid awareness, student course selection, and career planning, these parents also are finding the voices that advocate for their Scholars in the classroom, the boardroom, and city hall. GEAR UP funds have allowed these unique agents of change to expand their efforts, by providing a parent leader for every county and increasing regional program budgets for parent activities, transportation, and childcare. Unfortunately, GEAR UP funding will end in the 2003-2004 academic year.

Parent/Scholar Activities

Unique to the design of the Twenty-first Century Scholars Program is the program's ability to impact both Scholars and their families on a statewide level, as well as a very personal, grassroots level. To increase the program's capacity to grow and provide consistent services statewide while meeting local needs, each site has an extensive list of standards to meet. For example,

- Regional Parent Leaders will provide a minimum of 4 campus visits per program year. A minimum of 30 Scholar Parents is expected to attend each campus visit.
- Regional Parent Leaders shall develop collaboration with a minimum of 4 new agencies. A minimum of 50 parents/guardians is expected to attend each collaborative project. In addition, the Twenty-first Century Scholars Program and its benefits should be discussed during the collaborative project.
- Through pre/post testing, Scholars will be more knowledgeable about the college or university they attended. In addition, the Scholar will be knowledgeable about the curriculum the university has to offer. Increase the number of colleges participating in campus visits.
- Site Coordinators will provide Scholars with a minimum opportunity of 10 campus visits per program year. A minimum of 40 Scholars should attend each campus visit. Of the 10 campus visits, 2 must be incorporated into the summer programming.

School/Community Partnerships

To expand services at the “grassroots” level, to build local capacity, and to meet the needs of the targeted population, The Commission's Office of Twenty-first Century Scholars has been working with Communities in Schools, Inc (CIS). CIS is a national organization whose purpose is to pair school corporations with local businesses and service agencies and assists the aforementioned partners to develop a comprehensive roster of services available in the community for students and their parents. Specifically for the Twenty-first Century Scholars Program, CIS has conducted a community needs assessment and a feasibility study in each region as the bases for the establishment of a CIS partner for each of the 16 community partner sites, as well as the central office.

Each site develops its own programming to address the particular needs and interest of the communities in which it serves. Parents, students, local Scholars Program steering committees and community organizations provide input regarding local programming and are instrumental in the determination of the support services and early intervention activities in each region. Local input ensures that the program will provide long lasting change in the lives of the students and families with which we work.

Summary: Early intervention

The state of Indiana acknowledges that most students need more than financial assistance to overcome the many milestones between middle school and college. Students need the support of their schools, communities and, most important, their families. The Twenty-first Century Scholars Support Program strives to empower Scholars with the resources and resilience necessary to conquer critical milestones and succeed at higher education. The GEAR UP federal grant is critical to the continued success of the 21st Scholars program; however, it is funded only through 2003-2004.

Administration Of The Twenty-First Century Scholars Program

Since the first administrative expenditures were appropriated in 1993-94, regional support site costs for the Scholars Program have continued to grow. However, regional support site costs comprise a disproportionate amount of the total Administrative Expenditures. The support site costs are to seed and develop a regionalized system of early intervention throughout the State and to support sixteen regional offices, the development of sixteen satellite offices and the Enrollment Data and Communications Center (EDC) at the Indiana Career and Postsecondary Advancement Center (ICPAC). In effect, this provides for a presence in every Indiana school district. To most effectively track the progress of these sites, it is necessary to list a separate line item for Early Intervention Programs to clearly distinguish it from central office administrative costs. The appropriate schedule has such a breakdown.

Maintaining Student Aid Appropriations: Part-Time Grant Program

The Commission's Higher Education Award and Freedom of Choice grant programs are directed at Hoosier students enrolled on a full-time basis. An identifiable percentage of students who are enrolled less than full time have a need for financial aid toward completion of a degree or certificate at Ivy Tech State College. The Commission established a program that helps part-time students who have demonstrated a

commitment to pursuing a higher education. This should enhance the opportunities for work-force development in the state. The Part-Time Grant helps the state in another way: First priority for the award is given to students meeting certain income guidelines. This enables the state to claim expenses for the program as part of its maintenance of effort (MOE) for the federal Temporary Assistance to Needy Families (TANF) program.

The program is designed to encourage part-time undergraduates to start and complete their Associate or Baccalaureate degrees or Certificates by subsidizing part-time tuition costs. The students must meet State residency requirements, have filed a FAFSA and otherwise qualify for State aid. The part-time grant is a need-based award. The minimum award is \$50 per term

Each institution is allocated a fixed dollar amount for grants. In effect, the number of students served is rationed by the available funds since institutions can make awards only up to their allocations. Funds for 2001-2002 and 2002-2003 had to be reduced due to the remission of 7% of the appropriations because of the state's fiscal crisis. The following table shows the disbursements since 1998.

Numbers of Students Receiving State Awards
Academic Years 1997-98 to 2001-02

Year	Students	Amount
1998	4,680	\$3,814,984
1999	5,762	\$5,025,841
2000	6,620	\$5,902,957
2001	6,366	\$5,344,173

The following tables show the distribution of students by institutional type and credit hours accumulated.

Part-time Awards
Percentage of Students by Degree Type
Academic Years 1998-99 to 2001-02

Year	2-Year Degree	4-Year Degree
1998	45.3	54.7
1999	45.1	54.9
2000	49.1	50.9
2001	50.5	49.5
All Years	47.8	52.2

Part-time Awards
Accumulated and Semester Credit Hours
Academic Years 1998-99 to 2001-02

Year		Accumulated Credit Hours	Semester Credit Hours
1998	Mean	60.3	7.3
	Median	54.0	7.0
1999	Mean	47.8	7.6
	Median	39.0	7.0
2000	Mean	43.7	7.6
	Median	35.0	7.0

2001	Mean	43.6	7.7
	Median	33.0	7.0

Maintaining Student Aid Appropriations: Indiana National Guard Supplemental Grant Program

New in 2000-2001, the National Guard Supplemental grant is available to members of the Indiana Air and Army National Guard seeking their first bachelor's degree. Students must meet all eligibility requirements for a Higher Education Award, be in active drilling status in the Guard at the time the award is used, and they cannot have been AWOL in the past twelve months. The grant makes up the difference in tuition not covered by the Higher Education Award. It is available only at public colleges in Indiana.

For the academic year 2002-2003 the Commission made special arrangements with the National Guard to guarantee that students called to active duty because of the war on terrorism would not lose their grants or grant eligibility if they were unable to complete a FAFSA on time.

The Guard has been actively recruiting high school juniors and seniors in addition to college students. Awards are typically high, averaging \$2,100. The following table shows the awards for 2000-2001 and 2001-2002.

Awards Used by National Guard Students
Academic Years 2000-2001 and 2001-2002

Year	National Guard Award
2000 Students	503
Mean	\$2,040
Median	\$1,796
Total	\$1,026,094
2001 Students	861
Mean	\$2,140
Median	\$1,919
Total	\$1,842,824

It is expected that the National Guard will have 1,000 students for 2002-2003 with a corresponding increase in the funds needed for the program.

Maintaining Student Aid Appropriations: Fee Remission for Certain Students

The Commission administers a fee remission program aimed at the following students enrolled in Indiana public colleges:

- A pupil in Soldiers' and Sailors' Children's Home
- A child of a Purple Heart recipient or wounded veteran
- A child of a POW/MIA from Vietnam War
- A child of a deceased or disabled veteran

- A child of a deceased police officer or firefighter
- A spouse of a deceased police officer or firefighter

The fees covered by this program and paid by the state are tuition and all mandatory fees for courses required for the student's degree. Because this grant pays actual tuition and fees, the costs are expected to grow on average by 12% to 15% per year as the public colleges raise their tuition. Growth in the number of students is expected to be modest.

The tables below are a summary of the fee remissions in the program. Not all types of eligible students were enrolled in college in 2001-2002.

Fee Remissions Used by Students Academic Year 2001-2002			
Fee Remission Type	Students	Fee Remission	Other State Aid
Pupil in Soldier and Sailors Home	16	\$18,397	\$834
Child of Purple Heart recipient	396	\$749,908	\$25,892
Child of deceased or disabled veteran	4,586	\$10,134,835	\$469,469
Child of deceased public safety officer	6	\$28,002	
Spouse of deceased public safety officer	1	\$2,297	
Total	5,005	\$10,933,439	\$496,195

Fee Remissions Used by Students Mean and Median Awards Academic Year 2001-2002			
Fee Remission Type	Students	Mean	Median
Pupil in Soldier and Sailors Home	16	\$1,150	\$748
Child of Purple Heart recipient	396	\$1,884	\$1,409
Child of deceased or disabled veteran	4,586	\$2,207	\$1,685
Child of deceased public safety officer	6	\$4,000	\$4,164
Spouse of deceased public safety officer	1	\$2,297	\$2,297
Total	5,005	\$2,180	\$1,639

Fee Remissions Used by Students By Public Institutional Type Academic Year 2001-2002			
Fee Remission Type	4-Year Institution	2-Year Institution	Total
Pupil in Soldier and Sailors Home	7	9	16
Child of Purple Heart recipient	236	160	396
Child of deceased or disabled veteran	3,071	1,515	4,586
Child of deceased public safety officer	5	1	6
Spouse of deceased public safety officer	1		1
Total	3,320	1,685	5,005

As can be seen from the tables, the majority of students in the program are children of disabled or deceased veterans. Of those, the majority attend 4-year public universities where costs are highest.

Summary

As noted earlier, helping students pay for college is a long-term investment in Indiana's future. Hoosiers who go to college have children who graduate from college. College graduates pay more in taxes, buy more expensive homes, vote more often, are healthier, are able to afford health insurance, and are unemployed less. Despite rising tuition costs and the increases on student aid that implies, Indiana cannot allow itself to fall behind.

Currently, the Commission's budget is only about 3% of the state's expenditure on higher education. Even with the increases requested in the attached schedules, the Commission's share of higher education expenses is modest. The equation is simple: As state appropriations to the public colleges and universities go down, the institutions respond by raising tuition and fees. If state financial aid is not increased to offset 15% to 34% increases in tuition and fees, Indiana will be unable to compete in a marketplace that requires well-educated workers.

Part I: Program Descriptions

Current Commission grant and scholarship programs include:

- The Higher Education Award Program;
- Freedom of Choice Program;
- The Part-time Grant Program;
- The Hoosier Scholar Program;
- The Minority Teacher and Special Education Services Scholarship Program;
- The State Work-Study Program;
- The Indiana Nursing Fund Scholarship Program;
- The Paul Douglas Teacher Scholarship Program;
- The Robert C. Byrd Honors Scholarship Program;
- The Specter Grant Program;
- The Reciprocity Agreement Program;
- The Twenty-first Century Scholars Program;
- The National Guard Supplemental Grant Program;
- The Child of Veteran and Public Safety Officer Supplemental Grant Program; and
- Several Federal Programs

A brief description of each of these programs follows.

The Higher Education Award and Freedom Of Choice Programs

The Higher Education Award (HEA), in conjunction with the Freedom of Choice grant (FOC), is the largest Commission program serving approximately 40,000 Hoosier college students each year. The FOC grant is available only at private colleges. The HEA is available at public, private, and proprietary colleges.

The program maximizes efficiency by relying on federal financial aid application data to assess qualification for State aid, thereby reducing duplicate forms and redundant filing by applicants. After electronically retrieving and processing financial aid application data, awards are calculated each year by the Commission and notices are distributed to individual students and postsecondary institutions. Institutions are notified of student awards via electronic file transfer. Students are notified of their awards via U.S. mail.

National Recognition

In 1998-99, Indiana's need-based aid programs administered by the State Student Aid Commission ranked *seventh* nationally in estimated grant dollars per resident population,

ninth in estimated grant dollars per resident college-age population, and *sixth* in estimated grant dollars to undergraduates per full-time undergraduate enrollment.

The increases requested in student aid appropriations are intended to keep the state's level of support for individual students comparable to the state's level of support for the publicly funded colleges and universities. Reduction in budgets could jeopardize this leadership position, one of the few in education achieved by the state.

Eligibility for an Award

To receive an Indiana grant, an applicant must be an Indiana resident, be an undergraduate and enroll in an eligible Indiana postsecondary institution as a full-time student and demonstrate financial need. The student must also file a financial aid application (designated by the U.S. Department of Education as the Free Application for Federal Student Aid or *FAFSA*) between January 1 and March 1 of each year.

The grant levels per student are based upon a formula that discounts allowable costs by the student's ability to pay. An award offered can not be used if a student is academically ineligible, goes to an ineligible institution, or is in default of an educational loan. General descriptions of the students served by the HEA and FOC programs are listed below.

Population Descriptions

The following table summarizes some facts about students who filed the financial aid application for the 2002-2003 academic year. It includes only dependent students, that is, the typical college student going to college straight out of high school and dependent on her or his parents for financial support. Of these students, 37,872 were offered awards and 50,220 were not eligible for state aid. Additional award offers were made to 30,666 independent students in 2002-2003; data for these students does not appear in the table.

For 2003-2004 and beyond, the demographics are expected to change only slightly and probably in the direction of having less ability to pay. As more students enter the state's Community College system, more students with financial need will enter the system. The increases requested in student aid appropriations are intended to keep the state's level of support for individual students comparable to the tuition charged by the publicly funded colleges and universities.

Characteristics of Dependent Students Filing a FAFSA
(Free Application for Federal Student Aid)
Academic year 2002-2003

	21 st Scholars	Century Other	state aid recipients	Students eligible state aid	not for
First generation college goers, percent	58%		52%	36%	
Single parents, percent	48%		44%	11%	
Family size, average	4.2		3.9	4.0	
Age of older parent (yrs), average	45.7		46.9	47.9	
Mother's 2001 earnings from work, median	\$13,685		\$15,069	\$23,930	
Father's 2001 earnings from work, median	\$17,669		\$21,883	\$49,391	

Combined 2001 earnings from work, median	\$25,935	\$31,384	\$71,827
Parent's 2001 adjusted gross income, median	\$27,735	\$32,190	\$74,576
Honors Diploma Graduates, percent	25%	34%	38%
Core 40 Diploma Graduates, percent	38%	31%	31%

The Part-time Grant Program

The Commission's Higher Education Award and Freedom of Choice grant programs are directed at Hoosier students enrolled on a full-time basis. An identifiable percentage of students who are enrolled less than full time have a need for financial aid toward completion of a degree or certificate at Ivy Tech State College. The Commission established a program that helps part-time students who have demonstrated a commitment to pursuing a higher education.

The Part-Time Grant helps the state in an indirect way: First priority for the award is given to students meeting certain income guidelines. This enables the state to claim expenses for the program as part of its maintenance of effort (MOE) for the federal Temporary Assistance to Needy Families (TANF) program.

The program is designed to encourage part-time undergraduates to start and complete their Associate or Baccalaureate degrees or Certificates by subsidizing part-time tuition costs. The students must meet State residency requirements, have filed a FAFSA and otherwise qualify for State aid. The part-time grant is a need-based award.

The Hoosier Scholar Program

The Hoosier Scholar Program is a one-time, \$500 scholarship to outstanding high school seniors entering their first year at an Indiana college. Students must be in the top 20% of their high school graduating class and are nominated by their high school guidance staffs. In 2002-2003 seven hundred ninety eight (798) students were offered the award.

Hoosier Scholars Awards 2000-01 and 2001-02				
Institution Type	2000-2001		2001-2002	
	Students	Amount	Students	Amount
Public	440	\$220,000	483	\$241,500
Private	344	\$172,000	306	\$153,000
Proprietary	1	\$500	1	\$500

The Minority Teacher And Special Education Services Scholarship Program

This program was created to provide renewable scholarships for African American and Hispanic students preparing for a teaching career. In 1990 the program was amended to include the fields of Special Education, Occupational Therapy and Physical Therapy. Providing more than \$200,000 each year, the Minority and Special Education Services Scholarship Program has helped thousands of Indiana students since its inception. Scholarship recipients must attend an Indiana college or university and agree to teach in an Indiana school for 3 out of 5 years.

Minority Teacher and Special Education Students 2001-2002			
Type of institution	Students	Total Awards	

Public College	Black	151	\$237,611
	Hispanic	37	\$59,200
Private College	Black	25	\$39,200
	Hispanic	5	\$10,000
Public College	Special Education	80	\$84,300

The State Work-Study Program

The State Work-Study Program is designed to help students gain work experience and earn money in the summer toward their college expenses during the school year. Only students who received Higher Education Grant awards during the prior academic year are eligible for summer work-study. The program has provided more than \$8 million to assist about 9,000 students since 1986.

In 1989 the Commission began to administer the work-study program as a summer only program. However, in 1999 the Commission returned the State Work-Study program back to its original format, an academic year and summer program. Returning to a year round program has helped more college students to meet the rising costs of college as well as providing more support to employers.

As part of the partnership agreement with summer employers, the state agreed to assist with the burden of cost to the employers for employing only eligible students. However, increases over the years in the minimum wage rates and competition for student workers with the private workforce sector has made it difficult for State summer employers to efficiently assist work-study students.

Summary of Summer Work-Study Program 2000-2001			
Type of institution	Number of Institutions	Numbers of Students	Total Awards
Private College	79	144	\$154,265
Public College	30	45	\$83,668
Not-for-Profit	61	120	\$169,448
State Agencies	40	63	\$68,256
City & Local Government	19	28	\$64,438

The Nursing Fund Scholarship Program

In 1990, the Indiana General Assembly created the Nursing Fund Scholarship Program to address the critical shortage of nurses in Indiana. Funds are available to Indiana residents who are admitted to an eligible Indiana nursing school and demonstrate financial need. In addition, eligible applicants must have a minimum grade point average of at least 2.0 on a 4.0 scale. Award recipients must agree to work as a nurse in Indiana for at least two years following graduation. The scholarship can be as much as \$5,000 per academic year and may only be used for tuition and fee expenses. More than 5,000 students have benefited from this program in its first eight years.

Nursing students supported in 2001-2002			
Type of institution	Number of Awards Per Institution	Number of Students	Total Awards
Public College	57	540	\$270,969
Private College	22	152	\$58,245

Paul Douglas Teacher Scholarship Program

In 1995, Congress terminated funding for the Douglas program. Although the program no longer provides scholarships to students, the State, through the Commission, is still responsible for monitoring scholars' enrollment and employment status, verifying program compliance rules and obligations, and collecting refunds from recipients who failed to fulfill their teaching obligations. Unless the U.S. Department of Education or Congress provides administrative relief, the Commission's responsibilities with respect to administering this program will continue well into the next century. During the nine years the program was in operation 298 Indiana students benefited from the program. The Commission is required to follow the recipients of this program until their obligation is honored.

Robert C. Byrd Honors Scholarship Program

The Robert C. Byrd Honors Scholarship is designed to promote and award outstanding academic achievement. The \$1,500 renewable scholarships are divided equally among Indiana's ten congressional districts. The Byrd Scholarship Program was established in 1986. It is federally funded.

The Byrd Scholars 2000-2001 and 2001-2002				
Institution Type	2000-2001 Students	Amount	2001-2002 Students	Amount
Indiana Public Institutions	192	\$201,423	117	\$124,816
Indiana Independent Institutions	115	\$126,828	171	\$185,077
Out-of-State Public Institutions	76	\$77,558	195	\$195,638
Out-of-State Independent Institutions	164	\$178,817	77	\$75,776

The Specter Grant

A federally funded program to the Indiana Department of Corrections administered by the Commission at no cost. It provides modest college tuition grants to students not eligible for other state aid. Students must be 25 year or younger and eligible for parole or incarcerated for 5 years or less. Students are usually ineligible for other state aid because they cannot meet the FAFSA filing deadlines.

The Reciprocity Agreement Program

Formerly known as the "Contract for Space" Program, the program was established in the 1989-90 academic year, the Reciprocity Agreement Program provides out-of-state college assistance to students residing in a six county area of southeastern Indiana that is noted for its lack of a four-year, public, postsecondary institution.

Currently, three postsecondary institutions participate in the program, Northern Kentucky University (NKU), University of Cincinnati (UC), and Cincinnati State Technical and Community College (CSTCC). Tuition and fees have increased at each of these institutions over the past several years. As a consequence, both the number of students served and the amount the State will be able to pay over the next biennium toward discounting the costs of tuition and fees will grow smaller.

Twenty-First Century Scholars Program

The Twenty-first Century Scholars Program is designed to support and encourage youth from lower-income families to enter college. It was established in 1990 to:

- Reduce the number of students who withdraw from high school before graduation;
- Increase the number of students prepared to enter the workforce upon graduation;
- Increase the number of low-income students entering institutions of higher education;
- Decrease drug and alcohol use by encouraging higher education pursuits;
- Increase individual economic productivity; and
- Improve the overall quality of life for Indiana residents.

The Scholars program began in 1990 with the enrollment of the first cohort of eighth graders from low and moderate-income families. The program provides mentoring, counseling, tutoring and advising of those students as they progress through secondary education. A decade of grants supplemented with early intervention programming over the past five years has had positive results. A recent study (June 2002) by Dr. Edward St John and others at the Indiana Education Policy Center has found

... participation in the Scholars program improved postsecondary opportunity for low-income students compared to students who are not in the program. This study confirms that the Scholars program played a role in the substantial gain in college access in the 1990s in Indiana. These findings indicate that Indiana's 21st Century Scholar's Program provides a workable approach to overcoming inequalities in educational opportunity.

To help ensure that young people from at-risk environments stay on track to their pledge of good citizenry and their goal of higher education, Scholars must have the commitment of the entire community. In addition to enabling Scholars to earn tuition assistance, the program engages Scholars, their families, and their communities in a holistic, network of support initiatives. The aim of these initiatives is to build resiliency—to foster an academically encouraging environment for Scholars, while empowering parents to serve as the educational leaders in Scholars' lives.

Since 1999 GEAR UP funds have allowed the program to expand to sixteen sites and doubled program resources. From the sixteen Community Partner sites, full-time GEAR UP/Twenty-first Century Scholar Coordinators direct the outreach support initiatives in local communities. Each Community Partner hosts a Parent Support Group, and a team of AmeriCorps National Service Members. AmeriCorps members with the Twenty-first Century Scholars Program have provided over 400,000 hours of service to Scholars and Communities across Indiana in local communities. However, in 2000-2001 the number of AmeriCorps members supported dropped to 56; it will be 56 in 2002-2003 and drop to 21 in 2003-2004 as federal money for the program is phased out.

With the assistance of the AmeriCorps Members, coordinators and staff assistants engage Scholars and their families throughout Indiana in a myriad of academic

enrichment and college preparatory activities. Some of the activities—such as drug prevention workshops, conflict resolution training and service-learning projects—promote life-skills and social responsibility. Other activities—such as tutorial sessions, mentoring groups, and college tours—help Scholars achieve academic success and reach a higher level of self-actualization. The following table shows the number of *new* Scholars applying to college each year since 1995.

New Scholars Applying to College	
Year	New Scholars
1995	1,424
1996	2,562
1997	2,327
1998	2,342
1999	2,588
2000	3,248
2001	3,514
2002	3,760

The following table shows the number of Scholars and their Scholarships used from 1995-96 to 2001-02.

Awards Used by 21 ST Century Scholars Academic Years 1995-1996 to 2001-2002				
Year	Students	Mean	Median	Total
1995	1,463	\$1,297	\$1,044	\$1,897,143
1996	2,815	\$1,274	\$1,061	\$3,586,763
1997	3,540	\$1,348	\$1,114	\$4,771,556
1998	4,382	\$1,449	\$1,218	\$6,349,763
1999	4,600	\$1,497	\$1,229	\$6,884,035
2000	5,033	\$1,507	\$1,194	\$7,583,425
2001	5,984	\$1,567	\$1,163	\$9,379,520

National Guard Supplemental Grant Program

The National Guard Supplemental grant is available to members of the Indiana Air and Army National Guard seeking their first bachelor's degree. Students must meet all eligibility requirements for a Higher Education Award, be in active drilling status and they cannot have been AWOL in the past twelve months. The grant makes up the difference in tuition not covered by the Higher Education Award. It is available only at public colleges in Indiana. The following table shows the award usage since its inception in 2000-2001.

Awards Used by National Guard Students Academic Years 2000-2001 and 2001-2002				
Year	Students	Average Award	Median Award	Total Awards
2000	503	\$2,040	\$1,796	\$1,026,094
2001	861	\$2,140	\$1,919	\$1,842,824

Child of Veteran and Public Safety Officer Supplemental Grant Program

This program—the *CVO Program*—provides tuition and fee assistance at public colleges for eligible children of disabled Indiana veterans and eligible children and spouses of certain Indiana public safety officers killed in the line of duty. As a supplement to other

state financial aid, the grant pays 100% of tuition and program related mandatory fees; it does not cover other fees such as room and board.

Students who might be covered under the *veterans'* portion of the program are:

- Certain graduates of the Soldiers' and Sailors' Children's Home
- Children of Purple Heart recipient or wounded veteran
- Children of deceased or disabled veteran
- Children of POW/MIA from Vietnam War

Some program restrictions apply and financial assistance may be limited to a maximum number of credit hours. The veteran must meet, or have met, certain Indiana residency requirements, and the child must be the biological child or legally adopted dependent child of the veteran. Other restrictions might apply.

The Indiana Department of Veterans Affairs (IDVA) deems the student eligible. An application is required.

Students who might be covered under the *public safety officers'* portion of the program are:

- Child of a police officer or firefighter killed in the line of duty
- Spouse of a police officer or firefighter killed in the line of duty

The deceased public safety officer must be covered under the 1977 Police Officers' and Firefighters' Pension and Disability Fund and in addition be one of the following:

- (1) a regular, paid law enforcement officer;
- (2) a regular, paid firefighter;
- (3) a volunteer firefighter under IC 36-8-12-2;
- (4) a county police reserve officer; or
- (5) a city police reserve officer

Some program restrictions apply and financial assistance may be limited. Children must be less than 23 years of age, full-time students, and the biological or legally adopted dependent child of the public safety officer. Spouses must be enrolled in an undergraduate program. Other restrictions might apply.

There is no application for this portion of the program. In order to be considered for the program, the student must have an official letter from the appropriate public safety department—police or fire department—verifying that the officer was killed in the line of duty. SSACI will verify the information through the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Additional Programs

Federal Funds: Loss and Uncertainty

In the past the agency has been the recipient of federal funds that support several Commission programs. Not all the news is good.

- LEAP (Leveraging Educational Assistance Partnership) money has been allocated by the federal government for 2002-2003 and the Commission expects grants for 2004 and 2005.
- AmeriCorps funding for the Twenty-first Century Scholars Program is guaranteed through the 2002-2003 program year but it will be greatly reduced starting in 2001-2002 and through the next biennium. It is possible it will not be funded after 2003.
- The GEAR UP program started in 1999-2000 and is funded only for 5 years through 2004-2005, the first year of the biennium.

The Importance of Financial Aid

There is evidence that the current Indiana student aid system is holding its own in meeting the needs of students in offsetting the costs of education. It makes college affordable and possible for large number of Hoosiers who otherwise would have to forgo college or take on large amounts of loan debt. It is an investment in the future of Indiana: college-educated Hoosiers generate revenue for the state and raise the quality of life.

The state of Indiana is currently ranked as one of the top ten states in granting financial aid to college students, both in the total amount of aid and in the size of the individual awards to students in Indiana public, independent, and proprietary colleges. Indeed, Indiana frequently occupies the 6th or 7th position. In order to maintain this leadership position, the State Student Assistance Commission has been strongly supported by the General Assembly, the Governor and the Commission for Higher Education. The Commission is certain such support will continue into the next biennium.

Financial aid is a public policy issue of great importance. Unusual with public policy, how a financial aid program is structured lends itself to rational and political calculations as well as a sense of what is fair and right to do. What the leadership of the state does or fails to do in crafting financial aid programs has long-term and far-reaching consequences for Hoosier families. As the following letter to the Commission says, state financial aid helps real people with real needs.

"I wanted to take a moment to personally thank you for awarding me scholarship money. I'm sure that these scholarship awards may begin to only seem like names, but they are real people with real needs. Thank you very much for helping with my financial needs. Your help is truly appreciated."

A high school senior

Part II: Eligible Institutions & Budget Request and Expenditure Tables

Eligible Colleges and Universities

Title IV	College
031763	American Trans Air Aviation Training Academy
001784	Ancilla College
001785	Anderson University
001786	Ball State University
001787	Bethel College
001788	Butler University
001834	Calumet College of Saint Joseph's
014607	Commonwealth Business College-Merrillville/Michigan City
034567	Crossroads Bible College
E00499	Davenport College-Merrillville
016862	Davenport College-South Bend
001792	Depauw University
001793	Earlham College
001798	Franklin College
001799	Goshen College
001800	Grace College
001801	Hanover College
007263	Holy Cross College
001803	Huntington College
015227	Indiana Business College-Anderson
015226	Indiana Business College-Columbus
E00778	Indiana Business College-Evansville
E00931	Indiana Business College-Fort Wayne
015218	Indiana Business College-Indianapolis
E00777	Indiana Business College-Indianapolis Medical
015224	Indiana Business College-Lafayette
015223	Indiana Business College-Marion
015222	Indiana Business College-Muncie
015220	Indiana Business College-Terre Haute
001805	Indiana Institute of Technology
001807	Indiana State University
001809	Indiana University-Bloomington
001811	Indiana University-East (Richmond)
001813	Indiana University/Purdue University-Indianapolis/Columbus (IUPUI)
001814	Indiana University-Kokomo
001815	Indiana University-Northwest (Gary)
001816	Indiana University-South Bend
001817	Indiana University-Southeast (New Albany)
001822	Indiana Wesleyan University
014207	International Business College-Fort Wayne
E00664	International Business College-Indianapolis
008329	ITT Technical Institute-Fort Wayne

Title IV	College
007329	ITT Technical Institute-Indianapolis
007327	ITT Technical Institute-Newburgh
035213	Ivy Tech State College-Bloomington
010038	Ivy Tech State College-Columbus
009925	Ivy Tech State College-Evansville/Tell City
009926	Ivy Tech State College-Fort Wayne
010040	Ivy Tech State College-Gary/Valparaiso/East Chicago/Michigan City
009917	Ivy Tech State College-Indianapolis
010041	Ivy Tech State College-Kokomo/Logansport/Wabash
010039	Ivy Tech State College-Lafayette/Crawfordsville
009923	Ivy Tech State College-Madison/Lawrenceburg/Batesville
009924	Ivy Tech State College-Muncie/Anderson/Marion
010037	Ivy Tech State College-Richmond/Connersville
010109	Ivy Tech State College-Sellersburg
008423	Ivy Tech State College-South Bend/Warsaw/Elkhart
008547	Ivy Tech State College-Terre Haute/Greencastle
007938	Lincoln Technical Institute-Indianapolis
001820	Manchester College
001821	Marian College
014975	Martin University
004583	Michiana College-Fort Wayne/South Bend
001824	Oakland City University
009777	Professional Careers Institute-Indianapolis
001827	Purdue University-Calumet
001828	Indiana University/Purdue University-Fort Wayne (IPFW)
001826	Purdue University-North Central
001825	Purdue University-West Lafayette
001830	Rose-Hulman Institute of Technology
006257	Saint Elizabeth's School of Nursing
001833	Saint Joseph's College
001835	Saint Mary-of-The-Woods College
001836	Saint Mary's College
015564	Sawyer College-Hammond/ Merrillville
E00624	Taylor University-Fort Wayne
001838	Taylor University-Upland
001839	Tri-State University-Angola
001839	Tri-State University-Fort Wayne/South Bend
001795	University of Evansville
001804	University of Indianapolis
001840	University of Notre Dame
001832	University of Saint Francis
001808	University of Southern Indiana
001842	Valparaiso University
001843	Vincennes University
001844	Wabash College

Title IV	College
Reciprocity Agreement Institutions	
Eligible institutions only for students residing in Dearborn, Franklin, Jefferson, Ohio, Ripley, or Switzerland counties	
010345	Cincinnati State Technical College
009275	Northern Kentucky University
003125	University of Cincinnati

List of Budget Request and Expenditure Tables

Schedule	Description
I	Summary Of Awards
II	Summary Of Award Activity
III	The Commission Requested Priorities For New <u>State</u> Investments
IV	The Commission Requested Priorities For New <u>Federal</u> Investments
V	Higher Education Award Program
VI	Freedom Of Choice Program
VII	Hoosier Scholars Program
VIII	Reciprocity Agreement Program
IX	Part-time Grant Program
X	National Guard Supplemental Grant Program
XI	Department of Corrections Grant
XII	Minority And Special Education Services Scholarship Program
XIII	Paul Douglas Teacher Scholarship Program
XIV	State College Work Study Program
XV	Nursing Scholarship Program
XVI	21st Century Scholars Program
XVII	Robert C. Byrd Scholarship Program
XVIII	Higher Education Grants Administration
XIX	21st Century Scholars Administration
XX	Federal AmeriCorps Program
XXI	Gaining Early Awareness and Readiness for Undergraduate Programs (Gear Up)
XXII	Fee Remission Program

NOTE: Only the biennial budget requests from the first two summary schedules are included in this document. Detailed schedules are available on request.

State Student Assistance Commission		
Biennial Budget Request		
Academic Years 2003-04 and 2004-05		
Federal and State Resources		
	<u>2003-04</u>	<u>2004-05</u>
Programs Awards & Grants		
Higher Education Award	101,686,401	117,728,551
Freedom of Choice	36,834,992	41,051,351
Hoosier Scholars	421,000	421,000
Reciprocity Agreements ³	603,407	603,407
Part-time Grant Award Program	5,537,412	5,307,800
National Guard Supplemental Grant	3,364,970	3,533,218
Department of Corrections Grant ²	171,093	171,093
Fee Remission	14,643,155	16,619,981
Minority and Special Education Teacher Scholarship	445,151	445,151
Paul Douglas Teacher Scholarship Program ²	0	0
State College Work Study	778,502	778,502
Nursing Scholarship Program	385,384	385,384
21st Century Scholars Award Program	14,303,250	15,352,848
21st Century Early Intervention ¹	2,195,102	4,695,102
21st Century Early Intervention Gear Up ^{1,2}	3,374,196	0
Robert C. Byrd Scholarship Program ²	<u>852,000</u>	<u>852,000</u>
Total Awards & Grants	185,596,014	207,945,388
Administrative Expenditures		
Scholarships & Grants	1,266,044	1,266,044
Minority and Special Education Teacher Scholarship	2,500	2,500
Paul Douglas Teacher Scholarship Program ²	0	0
State College Work Study	135,000	135,000
Nursing Scholarship Program	31,531	31,531
Robert C. Byrd Scholarship Program ²	0	0
Department of Corrections Grant ²	0	0
21st Century Administration ¹	<u>391,341</u>	<u>391,341</u>
Total Administrative Expenditures	1,826,416	1,826,416
Total Budget Request	187,422,430	209,771,804

¹ The Early Intervention and Administration for 21st Century are tracked separately.

¹ Federal Gear Up funds will end with FY04 and be replaced by state funds for FY05.

² Federal money only - no state funds

³ Formerly the Contract for Space Program

State Student Assistance Commission		
Biennial Budget Request		
Academic Years 2003-04 and 2004-05		
State Resources Only		
	<u>2003-04</u>	<u>2004-05</u>
Programs/Awards/Grants		
Higher Education Grant Award Program		
Higher Education Award	100,846,428	116,888,578
Freedom of Choice	36,834,992	41,051,351
Hoosier Scholars	421,000	421,000
Part-time Grant Program	5,537,412	5,307,800
National Guard Supplemental Grant	3,364,970	3,533,218
Reciprocity Agreements	603,407	603,407
Fee Remission	14,643,155	16,619,981
Program Administration	<u>1,266,044</u>	<u>1,266,044</u>
Subtotal	163,517,408	185,691,379
21st Century Scholars Program		
Program Awards	14,303,250	15,352,848
Early Intervention	2,195,102	4,695,102
Program Administration	<u>391,341</u>	<u>391,341</u>
Subtotal	16,889,693	20,439,291
State College Work Study		
Program Awards	778,502	778,502
Program Administration	<u>135,000</u>	<u>135,000</u>
Subtotal	913,502	913,502
Minority and Special Education Teacher Scholarship		
Program Awards	445,151	445,151
Program Administration	<u>2,500</u>	<u>2,500</u>
Subtotal	447,651	447,651
Nursing Scholarship Program		
Program Awards	385,384	385,384
Program Administration	<u>31,531</u>	<u>31,531</u>
Subtotal	416,915	416,915
Total State Funding	182,185,168	207,908,738